GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Prohibition & Excise Department – Rationalization of MRPs of RTD brands of liquor – Reduction in Rate of Special Margin and Rate of Additional Excise Duty – Orders – Issued.

REVENUE (EXCISE) DEPARTMENT

G.O.Ms.No.290 **Dated:27.04.2022**

Read the following:

1) G.O.Ms.No.243 Revenue (Excise-II) Dept. dt.27.06.2017.
2) G.O.Ms.No.422 Revenue (Excise-II) Dept. dt.30.09.2019.
3) G.O.Ms.No.128 Revenue (Excise) Dept. dt.04.05.2020.
4) G.O.Ms.No.129 Revenue (Excise) Dept. dt.05.05.2020.
5) G.O.Ms.No.256 Revenue (Excise) Dept. dt.03.09.2020.
6) G.O.Ms.No.312 Revenue (Excise) Dept. dt.29.10.2020.
7) G.O.Ms.No.312 Revenue (CT-II) Dept. dt.09.11.2021.
8) G.O.Ms.No.313 Revenue (Excise) Dept. dt.09.11.2021.
9) G.O.Ms.No.363 Revenue (Excise) Dept. dt.18.12.2021.
10) From the CDB & MD, APSBCL, e-office file No: REV04-24025(32)/1/2022-MM-APSBCL (Computer No: 1654511).

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ORDER:

The Government of Andhra Pradesh, by an avowed policy, is committed to reduction in alcohol consumption in the state, with a view to improve the physical quality of life of its people.

2. Further, several proactive steps have been taken by the Government in this direction. Notable among them are removal of 43,000 Belt shops spread across various villages throughout the state, dispensing with the Permit Rooms, reduction in the business hours, reduction in the maximum possession limit of intoxicants which a person can possess without licence or permit, etc. Further, in order to ensure that there remain no belt shops in any village, the Government removed private people from operating liquor shops.

3. Furthermore, the Government have reduced the retail outlets from (4380) to (2934) i.e. by about 33% to reduce access to availability of liquor and granted exclusive privilege to APSBCL to run these retail outlets in public interest. Furthermore, the Government issued orders to reduce bars by 40% from (840) to (530) which is sub-judice.

4. In order to create awareness among the public on the evils of consumption of liquor / intoxicants, the Madya Vimochana Prachara Committee was constituted and awareness programs are being conducted all over the State.

5. Furthermore, the Government have levied Additional Retail Excise Tax on liquor vide reference 2nd read above with a view to reduce consumption of liquor in the State and also keeping in view the objectives of preventing cross-border smuggling of liquor into the State rationalized the same vide references 3rd to 6th read above to discourage the people from consumption of liquor in order to ensure a healthy society.

6. It is also submitted that the Government have rationalized VAT to bring about parity with the neighbouring States in the reference 7th read above. The Government have also specified Special Margin on liquor for human consumption to be collected from the licence holders in the reference 8th read above.

7. Further, the Government have rationalized the rates of VAT, Special Margin and Additional Excise Duty/ Additional Countervailing Duty levied on liquor with an aim at weaning the poor away from consuming unauthorized/illicitly distilled liquor vide reference 9th read above.

P.T.O.

8. However, it is noted that in spite of rationalization of ARET, Reduction in VAT the MRPs of RTD (Ready to Drink) liquor brands prevailing in A.P. are still very high when compared to those of neighboring States, especially of Telangana, Karnataka and Odisha. The suppliers are reluctant to supply the brands due to high MRPs.

9. The MRP comparison of Bacardi Breezer, the most popular RTD brand is submitted below:

Name of the Brand	MRP in A.P.	MRP in Telangana	MRP in Karntaka	MRP in Odisha	MRP in Tamilnadu
BACARDI BREEZER	Rs.160	Rs.130	Rs.115	Rs.90	NO RTD brands

10. The sale of RTD brands in our State during the last four years are tabulated below:

Description	2017-18 (Cases)	2018-19 (Cases)	2019-20 (Cases)	2020-21 (Cases)	2021-22 (Cases)
RTD	5,81,263	6,37,355	6,64,596	7716	0

11. The situation brings to the fore the imperative need for further rationalization of MRPs of RTD liquor in the State so as to sustain the objectives of the avowed policy of the Government to reduce the consumption levels of liquor in the State and to improve the physical quality of life of its people while encouraging low alcohol beverages like RTD brands which contains 5% to 8% v/v of alcohol when compared to 42.8% v/v of alcohol in hard liquor. And also the Government would get substantial revenue.

12. Therefore, the Commissioner of Proh. & Excise and the Commissioner of Distilleries and Breweries & Managing Director, A.P. State Beverages Corporation Limited in the reference 10th read above has proposed to rationalize the MRPs of RTD liquor by reducing Rate of Special Margin from 100% to 40% and Rate of Additional Excise Duty from 36% to 0% to bring down the MRPs of RTD brands. Since the proposed MRPs are still a little bit higher than those prevailing in the neighboring States, they will not run contrary to the objectives of reducing the consumption levels of alcohol in the State and ensure physical standards of life of the people of the State and requested to issue necessary orders.

13. The Commissioner of Proh. & Excise and the Commissioner of Distilleries and Breweries & Managing Director, A.P. State Beverages Corporation Limited has submitted the existing and proposed MRPs of BACARDI BREEZER, after applying above rationalization is detailed below:

Basic		MRP	
Existing	Proposed	Existing	Proposed
Rs.616	Rs.616	Rs.160	Rs.130

Contd....

14. The Government after careful consideration of the matter have decided to rationalize the MRPs of RTD liquor by reducing Rate of Special Margin from 100% to 40% and Rate of Additional Excise Duty from 36% to 0% to bring down the MRPs of RTD brands.

RTD:

Basic Price per Case	Rate of AP VAT	Rate of SPECIAL MARGIN	Rate of AED
All Ranges	10%	40%	0%

15. The Commissioner of Proh. & Excise and the Commissioner of Distilleries and Breweries & Managing Director, A.P. State Beverages Corporation Limited, shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner of Prohibition & Excise, A.P., Vijayawada.
The Commissioner of Distilleries and Breweries & Managing Director,
A.P. State Beverages Corporation Limited, Vijayawada.

Copy to:
The PS to Principal Secretary to CM.
The PS to Minister for Finance.
The PS to Deputy Chief Minister (Excise).
The Finance (FMU-REV) Department.
The Chief Commissioner of State Taxes, A.P., Vijayawada.
The PS to Secretary to Govt., Commercial Taxes Department.
The Revenue (CT-II) Department.
The PS to Spl. C.S. to Govt., Revenue (P&E and R&S) Department.
SF/SC.

//FORWARDED::BY ORDER//

SECTION OFFICER